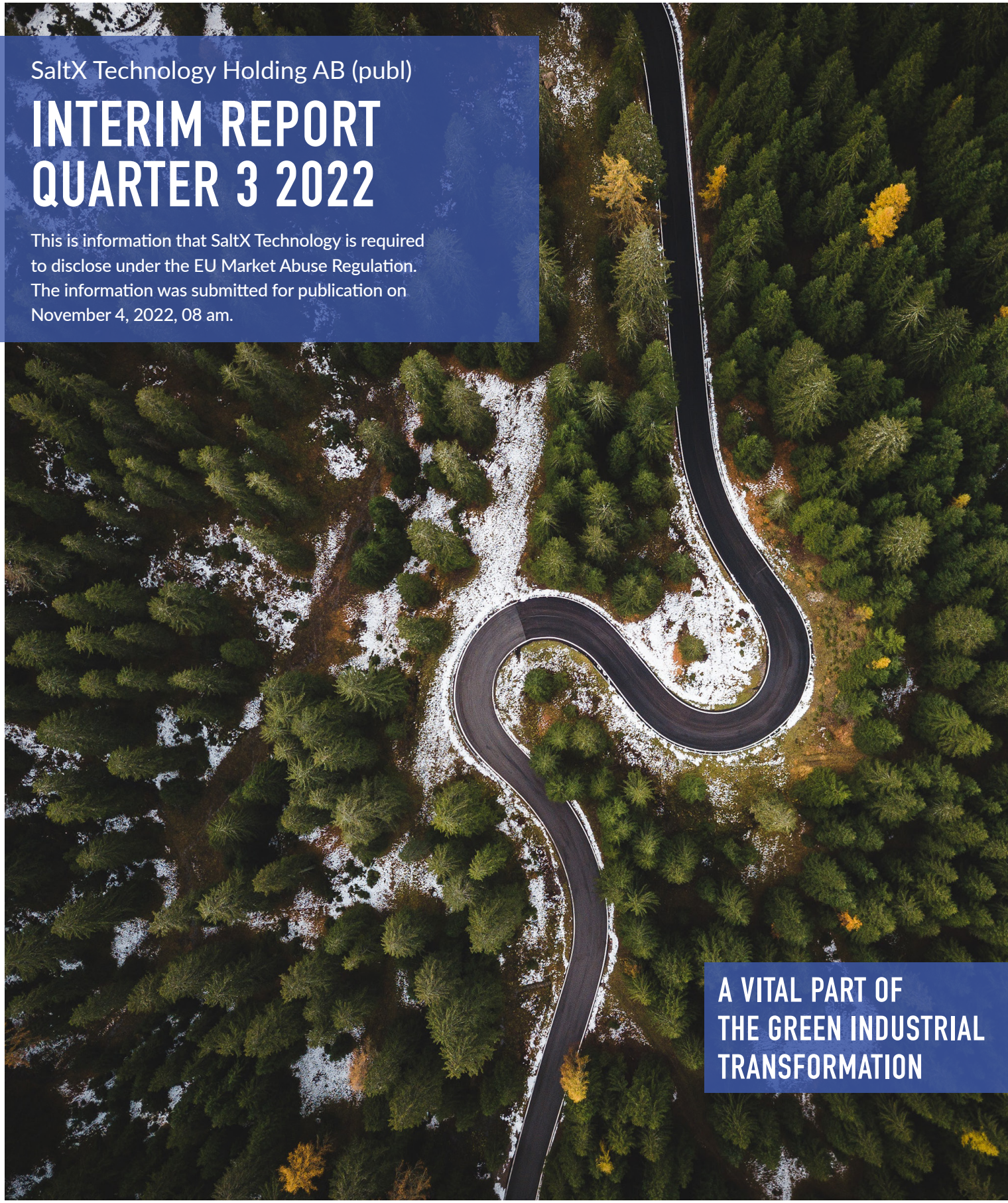
SaltX Technology

SaltX Technology Holding AB (publ)

# INTERIM REPORT QUARTER 3 2022

This is information that SaltX Technology is required to disclose under the EU Market Abuse Regulation. The information was submitted for publication on November 4, 2022, 08 am.



## A VITAL PART OF THE GREEN INDUSTRIAL TRANSFORMATION

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# INTERIM REPORT QUARTER 3 2022

## FINANCIAL EVENTS

Third quarter

- Net sales amounted to MSEK 0.2 (0.1)
- Operating profit/loss (EBIT) totaled MSEK -10.7 (-8.0)
- Cash flow from operating activities amounted to MSEK -12.0 (-3.7)
- Earnings per share before and after dilution amounted to SEK -0.09 (-0.05)

Year to date January – September

- Net sales amounted to MSEK 0.3 (0.2)
- Operating profit/loss (EBIT) totaled MSEK -40.0 (-24.0)
- Cash flow from operating activities amounted to MSEK -38.5 (-21.8)
- Earnings per share before and after dilution amounted to SEK -0.38 (-0.24)

## SIGNIFICANT EVENTS

Third quarter

- SaltX Technology initiated a commercial collaboration with SMA Mineral AB, one of the leading quicklime producers in the Nordics. SaltX aims to accelerate the green transition in the lime and cement industry with its innovation – the Electric Arc Calciner
- Per Bodén, SMA Mineral AB elected as new board member

"ELECTRIFYING EMISSION-HEAVY INDUSTRY.

READ MORE ON PAGE 6

## KEY FIGURES

| Group, TSEK | Q 3 2022 | Q 3 2021 | YTD Sep 2022 | YTD Sep 2021 | FY 2021 |
|---|---|---|---|---|---|
| Net sales | 150 | 103 | 256 | 164 | 164 |
| Operating profit/loss (EBIT) | -10,668 | -7,999 | -39,687 | -24,043 | -37,587 |
| Earnings per share before and after dilution | -0.09 | -0.05 | -0.38 | -0.24 | -0.39 |
| Equity | 143,750 | 127,761 | 143,750 | 127,761 | 112,375 |
| Cash flow from operating activities | -12,041 | -3,658 | -38,468 | -21,753 | -36,092 |
| Equity ratio (equity/balance sheet total) | 81% | 76% | 81% | 76% | 74% |

# THE CEO'S ADDRESS
# A STRONGER PLAYER FOR AN ELECTRIFIED INDUSTRY

SaltX, as a company, is associated with large-scale energy storage, where we charge with fossil-free electricity and discharge with high-temperature steam. We are constantly striving to develop better and more efficient solutions for our customers. This work has resulted in us developing, designing, and testing a new type of charging reactor. We call this product EAC (Electric Arc Calciner). EAC is an efficient charger of our energy storage system and enables the electrification of industrial processes. This is where we have our sights set primarily on the limestone and cement industry, which together account for as much as 8 percent of the world's total carbon dioxide emissions, which is one of the largest and most important climate problems of our time to solve.

Energy storage makes the "unplannable" plannable, i.e., we enable a transition from fossil fuels to fossil-free fuels, as the energy storage facility can be used when wind and solar are not available.

Making it possible to replace fossil fuels and thus prevent carbon dioxide emissions is and always has been the most important guiding principle for us at SaltX. With the broadening of our operations, we are becoming an even stronger opponent of the industry's dependence on fossil fuels.

## ELECTRIFICATION

With our latest innovation, EAC, our business has become even more substantial. SaltX is becoming an important and strong force with the potential to heavily reduce global industrial carbon dioxide emissions.

The goal of our technology is to consolidate a position as a company that has the skills, power, and will to reduce industrial carbon dioxide emissions – we call ourselves a "House of Decarbonization."

This program explanation and strengthening of our focus may seem great, but we are convinced that this is the right way to go, which our new shareholder in SaltX (SMA Mineral) is signing up for. Of the two pillars on which we are building the company's future, the limestone industry is closely in line with the demand for climate-neutral lime from customers.

**"COOPERATION WITH SMA MINERALS CREATE ADDED VALUE FOR BOTH PARTIES, SMA'S CUSTOMERS AND NOT LEAST FOR THE CLIMATE.**

During the third quarter, we have taken further steps in planning and designing our upcoming testing facility for electrification technology. The plan is to build a 2 MW Research Center, a larger testing facility to perform tests with different materials for different applications. In parallel, we are starting to plan the first full-scale factory with higher output together with our partner SMA Mineral. We will get back to you with details about the location and timeline.

The primary reason why we can move quickly is good cooperation with SMA Minerals. Matching between the two companies is very good, where added value is created for both parties, for SMA's customers, and not least for the climate.

## ENERGY STORAGE

We have completed test runs at the plant in Bollmora, where we built a 200 KW energy storage facility with both a charging- and a discharge reactor. We have had a great deal of interest in this facility with many potential customer visits

recently, which is very pleasing.

Discussions are ongoing with several customers and partners in slightly different areas of application, both in Sweden and abroad. The next step is to take the technology and the application to a higher degree of maturity together with a committed end customer.

## SUMMARY

Our proprietary charging reactor has given us two legs to stand on. Still, above all, our new technology has currently increased our chances of becoming a strong player in the green industrial climate transition.

The strong willingness at SMA to transform their manufacturing means that over the next few months, we will prioritize fulfilling our promise to industrialize EAC technology and plan together to build the first climate-neutral limestone factory in the world. This means we can offer end customers climate-friendly products as soon as possible, “from start to finish.”

Even though we are heading towards darker times this autumn, the future has never looked so bright for our company as it does now.

Thanks for your attention and your trust!

Carl-Johan Linér, CEO
Stockholm,
November 2022


Carl-Johan Linér

# SALTX'S NEW MARKET
# LIME – THE "BLOOD FLOW" OF INDUSTRY

**Lime is one of the world's most widely used materials that has played a significant role in the development of modern society. Lime is used, among other things, for steel manufacturing, water purification, cement, and paper production.**

Most of us probably think about the limestone quarries around when talking about limestone. Others may think of limestone as a ground and decoration detail. Few of us know how vital limestone is for products we take for granted in life. Here you get an insight into the world of lime, how lime is used and why it is so important to us humans. And why it is urgent to heavily reduce the industry's carbon dioxide emissions.

## THE HISTORY OF LIME

Limestone has been mined and used by man for thousands of years. Nobody knows exactly how long the stone has been used, but there are deposits around the Mediterranean that show that limestone was used as a binding material about 9,000 years ago. Sweden has plenty of limestone with a wide geographical spread. In Dalarna, Värmland, Närke, Västergötland and Skåne, as well as on Gotland and Öland, there are minable layers of limestone.

## AREAS OF APPLICATION

A large part of the industry currently uses lime in one way or another in its production, and many of the products we use have been produced in one way or another with the help of lime. The stone is mainly used for two things: as a cleaning material in an industrial process where unwanted substances are to be removed or as a filler to achieve the right consistency of a product.

## FOR INDUSTRY

The primary users of lime are the iron and steel industry. The material is used to clean the steel of sulfur and acts as a binding material for slag products. Quick lime is used in both ore and scrap-based steel production. In addition, a higher proportion of lime is needed in the manufacture of stainless steel than in the standard production of steel.

**LIME IS MAINLY USED FOR TWO THINGS: AS A SOLVENT IN AN INDUSTRIAL PROCESS... OR AS FILLER MATERIAL.**

In the pulp and paper industry, lime is used for several functions. The material acts as a chemical in the production of sulfate pulp and is used as a filler in paper manufacturing. Lime, in a further developed form, also has a function as a coating pigment for paper.

Lime also plays a crucial role in the construction industry. Large quantities of products produced from lime are needed here for the manufacture of, for example, concrete, cement, glass, asphalt, and brick, to name a few. Here, the primary use is to mix in lime as a filler material to obtain the properties required regarding strength, for example. Lime is also used for the manufacture of insulation materials and as a stabilizer in paints and fillers.

## FOR AGRICULTURE

To counteract acidifying factors, mainly from agricultural fertilizers, lime is used as a "balancing agent." Here, the limestone has a positive

effect in several ways; not only does harvesting become larger but also better, as limescale prevents the crops from absorbing harmful metals. Various limestone products are also used in food to strengthen animal bones and nerve development. Supplementary lime is needed for cows and chickens to produce milk and eggs.



Limestone quarry

## FOR A BETTER ENVIRONMENT

Lime not only has an essential function as a cornerstone in building our societies, but lime also fulfills a function in purifying the water we drink and the air we breathe. In Sweden, we are spoiled with high-quality water to drink directly from the tap; it would only be possible if lime were used to adjust pH values and act as a softener in our water systems.

Historically and for the foreseeable future, limestone is also used to stop the acidification of our waterways. Naturally, measures must primarily be taken at the source of the emissions so that we can prevent negative environmental impact. Until we are there, limescale will save our waterways and have an important role in preserving the environment.

Lime is also used to purify flue gasses, a significant problem in the world, especially in the parts where coal-fired power plants are in use. In Sweden, which has come a long way in the use of renewable energy, the technology is used to purify gasses from waste incineration plants.

**TO SIGNIFICANTLY REDUCE LIMESCALE IN THE INDUSTRY'S EMISSIONS HAVE A HUGE IMPACT ON HOW FAST WE CAN SLOW GLOBAL WARMING.**

## THE LIME INDUSTRY'S GREEN TRANSITION

As much as 8 percent of the world's carbon dioxide emissions come from the limestone and cement industry. A very high proportion that makes it one of the largest emitters in the world, together with the steel industry. In comparison, the aviation industry accounts for about 1 percent of the world's total emissions – the lime industry is a climate problem that must be solved. The challenge is that emissions are created in two instances. Partly during the heating process, which is usually based on fossil fuels, and partly when the bound carbon dioxide in the limestone is released during heating. Quarrying also results in emissions but accounts for a tiny proportion of the total emissions. Approximately 30 percent of emissions occur during heating, and the remaining 70 percent thus come from the bound carbon dioxide in the stone. Significantly reducing and preferably eliminating these emissions has a massive impact on how quickly we can slow down global warming.

The electrification technology we have developed at SaltX takes part in solving this challenge. We replace fossil fuels with renewable electricity, and with our innovation, Electric Arc Calciner (EAC), we can isolate and separate carbon dioxide during the heating process. Together with our partner SMA Mineral, we intend to be the first to produce climate-neutral lime on a large scale and take on a leading role in the industry's green transition.

*Source: SMA Mineral & Swedish Lime Association*

# THE SALTX BUSINESS

**SaltX is a Swedish Greentech company that develops and markets sustainable technology that will benefit customers, the climate, and society. The company operates in large-scale energy storage solutions and electrification technology, primarily for the lime and cement industries. The ambition is to become a leading player in the green industrial transition by eliminating millions of tons of carbon dioxide emissions.**

## ELECTRIFICATION

SaltX's latest innovation, Electric Arc Calciner, is a unique, patent-pending technical solution that electrifies the industrial process of calcination – to heat material to a very high temperature. The purpose of calcination is to expel a substance or achieve a phase transformation.

The technology replaces fossil-based heating with renewable electricity and isolates and separates the carbon dioxide in the heating process with high energy efficiency. Calcination is used by many industries, the most common of which is the lime and cement industry. Together, these industries are one of the world's largest emitters of carbon dioxide.

With SaltX technology, customers can effectively convert their production and significantly reduce their emissions.

## ENERGY STORAGE

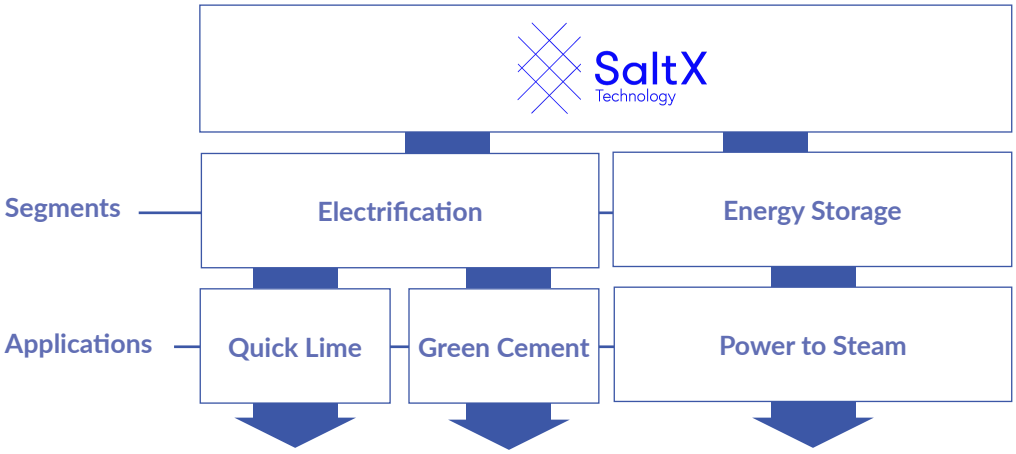
The low-carbon transition means that renewable energy sources expand as the industrial sector needs to replace fossil fuels with renewable electricity in its production.

This shift creates new demands on flexibility and storage in the energy system. SaltX's energy storage solution stores large quantities of energy for cities and industries to enable a faster, more stable transition to renewable energy sources. By charging the energy store with renewable electricity, or surplus electricity from the existing grid, discharge can take place at any time with high-grade steam.

Both the energy sector and industry need to transform their production to minimize carbon dioxide emissions and achieve global climate goals. SaltX energy storage helps customers make the transition by offering electrification, increased flexibility, and redundancy.

**ELECTRIC ARC CALCINER – A PATENT-PENDING SOLUTION THAT ENABLES THE PRODUCTION OF LIME AND CEMENT WITH GREATLY REDUCED EMISSIONS.**

## SALTX OPERATIONS




SaltX's operations are conducted in two different business areas – electrification and energy storage. For these, there are currently three areas of application aimed at industry in order to reduce the sector's carbon dioxide emissions.

# SIGNIFICANT EVENTS

## ...IN THE THIRD QUARTER

### SALTX PARTNERED IN JUNE WITH SMA MINERAL TO ACCELERATE THE TRANSITION INTO PRODUCTION OF "GREEN QUICKLIME"

SaltX Technology initiated a commercial collaboration with SMA Mineral AB, one of the leading quicklime producers in the Nordics. SaltX aims to accelerate the green transition in the lime and cement industry with its innovation – the Electric Arc Calciner.

### NEW MEMBER OF THE BOARD

In August SaltX Technology conducted an extraordinary general meeting where it was resolved to appoint Per Bodén as new member of the Board. Since 2015, Per is employed as Marketing and Business Development Director at SMA Mineral AB.



The SMA facility in Röyttä, Finland.

# FINANCIAL OVERVIEW

## JULY –SEPTEMBER – QUARTER 3 2022

### REVENUE, EXPENSES AND EARNINGS

***Net sales***
Net sales for the quarter amounted to TSEK 150 (103) and consisted of a pre-study for an energy company. Expenses relating to this assignment are included in operating expenses (other external expenses and personnel costs).

***Capitalized work for own account***
Capitalized work for own account amounted to TSEK 0 (7,779) in the quarter.

***Other income***
Other income in the quarter totaled TSEK 29 (7).

***Expenses***
Expenses during the quarter amounted to TSEK -10,847 (-15,888), broken down as other external expenses TSEK -3,349 (-10,215), personnel costs TSEK -4,536 (-4,113), and depreciation of fixed assets TSEK -2,962 (-1,560).

***Operating profit/loss (EBIT)***
Operating profit/loss was TSEK -10,668 (-7,999).

***Financial items***
Profit/loss from financial items amounted to TSEK 178 (2,667) and consisted of interest on liabilities to the Swedish Energy Agency and Almi Företagspartner, as well as on leasing liabilities. The interest rate on these liabilities is around 6 percent. Changes in the fair value of the shares in Central Development Holdings Ltd are also included. This was positive during the quarter at TSEK 628 (3,112).

***Profit/loss before tax***
Profit/loss before tax was TSEK -10,490 (-5,332).

Earnings per share before and after dilution amounted to SEK -0.09 (-0.05).

### CASH FLOW, INVESTMENTS AND FINANCIAL POSITION

***Cash flow and liquidity***
Cash flow from operating activities during the quarter was TSEK -12,041 (-3,658).

Group cash equivalents at the end of the quarter amounted to TSEK 83,773 (67,448).

***Long-term liabilities***
Long-term liabilities amounted to TSEK 25,285 (27,893) and consisted of loans from the Swedish Energy Agency of TSEK 24,386 and from Almi Företagspartner of TSEK 899.

The loan from Almi is amortized monthly over a period of 5 years.

***Investments***
During the quarter, investments were made that impacted cash flow in the amount of TSEK -254 (-7,349). These consisted of ongoing investments in new patents, including patent applications in additional markets and equipment.

***Equity***
At the end of the quarter, equity amounted to TSEK 143,750 (127,761) or SEK 1.19 (1.24) per share. The equity ratio on the same date was 81 (76) percent.

## JANUARY – SEPTEMBER

### REVENUE, EXPENSES AND EARNINGS

***Net sales***
Net sales for the period amounted to TSEK 256 (164) and relates to consultancy services in product development.

***Capitalized work for own account***
Capitalized work for own account amounted to TSEK 351 (16,145) in the period and relate to the last remaining limited development and construction of a pilot with new

## DEVELOPMENT PER QUARTER

| TSEK | Q 3 2021 | Q 4 2021 | Q 1 2022 | Q 1 2022 | Q 1 2022 |
|---|---|---|---|---|---|
| Net sales | 103 | – | 106 | – | 150 |
| Operating profit/loss (EBIT) | -7,999 | -13,544 | -12,374 | -16,645 | -10,668 |
| Cash flow from operating activities | -3,658 | -14,339 | -12,295 | -14,132 | -12,041 |
| Basic earnings per share, SEK | -0.05 | -0.15 | -0.14 | -0.16 | -0.09 |

reactor technology based on fluidization.

***Other income***
Other income in the period totaled TSEK 60 (1,180).

***Expenses***
Expenses during the period amounted to TSEK -40,354 (-41,532) , broken down as other external expenses TSEK -17,700 (-22,871), personnel costs TSEK -15,201 (-14,022), and depreciation of fixed assets TSEK -7,453 (-4,639).

***Operating profit/loss (EBIT)***
Operating profit/loss was TSEK -39,687 (-24,043) and was primarily affected by the lower degree of capitalization of development expenses.

***Financial items***
Profit/loss from financial items amounted to TSEK -1,279 (-1,152) and consisted of interest on liabilities to the Swedish Energy Agency and Almi Företagspartner, as well as on leasing liabilities. The interest rate on these liabilities is around 6 percent. Changes in the fair value of the shares in Central Development Holdings Ltd are also included. This was positive in the period at TSEK 33 (2,575).

***Profit/loss before tax***
Profit/loss before tax was TSEK -40,966 (-22,891).

Earnings per share before and after dilution amounted to SEK -0.38 (-0.24).

### CASH FLOW, INVESTMENTS AND FINANCIAL POSITION

***Cash flow and liquidity***
Cash flow from operating activities during the period was TSEK -38,468 (-21,753).

***Investments***
During the period, investments were made that impacted cash flow in the amount of TSEK -1,134 (-13,842). These consisted of capitalized expenditure for the development of a pilot plant with a fluidized bed reactor, and ongoing investments in new patents, including patent applications in additional markets and equipment.

### PARENT COMPANY
The operations of the parent company, SaltX Technology Holding AB (publ), include Group-wide services, management of the subsidiary SaltX Technology AB, and maintenance of the company's listing on Nasdaq First North Premier Growth Market.

Profit/loss before tax for the period was TSEK -8,324 (-4,042). On September 30, the parent company held available liquid assets amounting to TSEK 78,582 (60,964).

### SHARE CAPITAL
Share capital at the end of the period amounted to SEK 9,688,186.72 consisting of 121,102,334 shares at a nominal value of SEK 0.08.

The company carried out a directed share issue of 18,165,350 shares in June 2022 which was registered in July. The issue was subscribed by SMA Mineral AB, one the collaborating partners of the company, at SEK 4.00 per share which contributed SEK 72,7 million to the company.

### SHARES
Shares in SaltX are listed on Nasdaq First North Premier Growth Market.

## CHANGE OF SHARE CAPITAL DURING YEAR 2022

| | Change in share capital | Accumulated share capital | Change in no. of shares | Accumulated no. of shares |
|---|---|---|---|---|
| Opening balance 2022 | – | 8,234,958.72 | – | 102,936,984 |
| Directed Share Issue (2022) | 1,453,228.00 | 9,688,186.72 | 18,165,350 | 121,102,334 |

***Earnings per share***
Earnings per share for the period amounted to SEK -0.38 (-0.24) based on an average of 107,982,915 (95,436,984) shares, before dilution. In May the company carried out an issue of warrants of which 738,000 were subscribed by key persons. This has, however, not had an impact due to the negative result.

***Significant risks and uncertainties***
All business operations and share ownership are associated with risk. Risks that are managed well can entail opportunities and the creation of value, if not, they can lead to damage and losses. The risks can be divided into market-related, operations-related, and financial risks.

See also the company's Annual Report on its website.

***Accounting policies***
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) such as they have been adopted by the EU, RFR 1 Supplementary Accountin g Rules for Groups, and the Swedish Annual Accounts Act. The Interim Report has been prepared in accordance with IAS 34 Interim Financial Reporting.

The parent company's financial statements have been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. The application of RFR 2 means that, in the interim report for the legal entity, the parent company applies all the IFRS, and statements adopted by the EU as far as this is possible within the framework of the Swedish Annual Accounts Act, the Swedish Pension Obligations Vesting Act and in consideration of the relationship between accounting and taxation. The Interim Report for the parent company has been prepared in accordance with the Swedish Annual Accounts Act.

The accounting policies applied are consistent with those described in the SaltX Group 2021 Annual Report.

# CONSOLIDATED STATEMENT OF COMPREHENSIVE RESULT – SUMMARY

| TSEK | Q 3 2022 | Q 3 2021 | YTD Sep 2022 | YTD Sep 2021 | FY 2021 |
|---|---|---|---|---|---|
| Net sales | 150 | 103 | 256 | 164 | 164 |
| Work performed by the Company for its own use and capitalized | – | 7,779 | 351 | 16,145 | 18,155 |
| Other operating income | 29 | 7 | 60 | 1,180 | 1,200 |
| **TOTAL** | **179** | **7,889** | **667** | **17,489** | **19,519** |
| Other external expenses | -3,349 | -10,215 | -17,700 | -22,871 | -33,015 |
| Personnel expenses | -4,536 | -4,113 | -15,201 | -14,022 | -17,888 |
| Depreciation of fixed assets | -2,962 | -1,560 | -7,453 | -4,639 | -6,203 |
| **TOTAL OPERATING EXPENSES** | **-10,847** | **-15,888** | **-40,354** | **-41,532** | **-57,106** |
| **OPERATING PROFIT/LOSS** | **-10,668** | **-7,999** | **-39,687** | **-24,043** | **-37,587** |
| Financial income | 2 | – | 12 | – | – |
| Financial expenses | 176 | 2,667 | -1,291 | 1,152 | -690 |
| **FINANCIAL ITEMS - NET** | **178** | **2,667** | **-1,279** | **1,152** | **-690** |
| **PROFIT/LOSS BEFORE INCOME TAX** | **-10,490** | **-5,332** | **-40,966** | **-22,891** | **-38,277** |
| Income tax expense | – | – | – | – | – |
| **PROFIT/LOSS FOR THE PERIOD** | **-10,490** | **-5,332** | **-40,966** | **-22,891** | **-38,277** |
| **Earnings per share calculated on earnings attributable to parent company shareholders, SEK** | | | | | |
| Basic earnings per share | -0.09 | -0.05 | -0.38 | -0.24 | -0.39 |
| Earnings per share after dilution | -0.09 | -0.05 | -0.38 | -0.24 | -0.39 |

No items are reported in other comprehensive income in the Group, which is why the total comprehensive income corresponds to the result for the period. Profit for the period and total comprehensive income are attributable in full to the parent company's shareholders.

# CONSOLIDATED BALANCE SHEET – SUMMARY

| TSEK | Sep 30 2022 | Sep 30 2021 | Dec 31 2021 |
|---|---|---|---|
| **ASSETS** | | | |
| **Fixed assets** | | | |
| **Intangible assets** | | | |
| Capitalized expenditure on development work | 78,701 | 84,249 | 84,795 |
| Patents and trademarks | 1,933 | 1,720 | 1,587 |
| | **80,634** | **85,969** | **86 ,382** |
| **Tangible assets** | | | |
| Equipment, tools, and installations | 519 | 734 | 660 |
| Access-rights assets | 1,265 | 2,784 | 2,405 |
| | **1,784** | **3,518** | **3,065** |
| **Financial fixed assets** | | | |
| Other long-term securities | 6,588 | 7,930 | 6,555 |
| | **6,588** | **7,930** | **6,555** |
| **Total fixed assets** | **89,006** | **97,417** | **96,002** |
| **Current assets** | | | |
| Advance payments to suppliers | 1,442 | 156 | 91 |
| Accounts receivable | 211 | – | – |
| Other current assets | 2,016 | 2,119 | 2,696 |
| Prepaid expenses and accrued income | 1,323 | 1,288 | 1,300 |
| Cash and cash equivalents | 83,773 | 67,448 | 51,160 |
| **Total current assets** | **88,765** | **71,011** | **55,247** |
| **TOTAL ASSETS** | **177,771** | **168,428** | **151,249** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Share capital | 9,688 | 8,235 | 8,235 |
| Other contributed capital | 790,619 | 719,731 | 719,731 |
| Accumulated profit or loss including profit/loss for the year | -656,557 | -600,205 | -615,591 |
| **Total equity** | **143 750** | **127,761** | **112,375** |
| **Long-term liabilities** | | | |
| Other liabilities | 25,285 | 26,486 | 26,186 |
| Leasing liabilities | – | 1,407 | 991 |
| **Total long-term liabilities** | **25,285** | **27,893** | **27,177** |
| **Current liabilities** | | | |
| Accounts payable | 814 | 3,638 | 3,565 |
| Leasing liabilities | 1,407 | 1,601 | 1,601 |
| Other liabilities | 1,561 | 1,521 | 1,533 |
| Accrued expensed and deferred income | 4,954 | 6,014 | 4,998 |
| **Total current liabilities** | **8,736** | **12,774** | **11,697** |
| **TOTAL EQUITY AND LIABILITIES** | **177,771** | **168,428** | **151,249** |

# CONSOLIDATED STAEMENT OF CHANGES IN EQUITY

| | Attributable to Parent Company shareholders | | | |
|---|---|---|---|---|
| **TSEK** | **Share capital** | **Other contributed capital** | **Accumulated profit/loss incl. profit/loss for the year** | **Total equity** |
| **Opening balance Jan 1, 2021** | **7,035** | **665,713** | **-577,314** | **95,434** |
| Net income/loss Jan-Sep 2021 equal to total comprehensive income | — | — | -22,891 | -22,891 |
| **Total comprehensive income** | **—** | **—** | **-22,891** | **-22,891** |
| **Transactions with shareholders in their capacity as shareholders:** | | | | |
| Share issues | 1,200 | 58,800 | — | 60,000 |
| Issue expenses | — | -4,782 | — | -4,782 |
| **Closing balance Sep 30, 2021** | **8,235** | **719,731** | **-600,205** | **127,761** |
| | | | | |
| **Opening balance Oct 1, 2021** | **8,235** | **719,731** | **-600,205** | **127,761** |
| Net income/loss Oct-Dec 2021 equal to total comprehensive income | — | — | -15,386 | -15,386 |
| **Total comprehensive income** | **—** | **—** | **-15,386** | **-15,386** |
| **Closing balance Dec 31, 2021** | **8,235** | **719,731** | **-615,591** | **112,375** |
| | | | | |
| **Opening balance Jan 1, 2022** | **8,235** | **719,731** | **-615,591** | **112,375** |
| Net income/loss Jan-Sep 2022 equal to total comprehensive income | — | — | -40,966 | -40,966 |
| **Total comprehensive income** | **—** | **—** | **-40,966** | **-40,966** |
| **Transactions with shareholders in their capacity as shareholders:** | | | | |
| Directed issue | 1,453 | 71,208 | — | 72,661 |
| Issue expenses | — | -1,036 | — | -1,036 |
| Proceeds from warrants | — | 716 | — | 716 |
| **Closing balance Sep 30, 2022** | **9,688** | **790,619** | **-656,557** | **143,750** |

# CONSOLITADED CASH FLOW STATEMENT

| TSEK | Q 3 2022 | Q 3 2021 | YTD Sep 2022 | YTD Sep 2021 | FY 2021 |
|---|---|---|---|---|---|
| **Cash flow from operating activities** | | | | | |
| Profit/loss after financial items | -10,490 | -5,332 | -40,966 | -22,891 | -38,277 |
| Adjustments for non-cash items etc. | 2,335 | -1,552 | 7,421 | 2,064 | 5,003 |
| | **-8,155** | **-6,884** | **-33,545** | **-20,827** | **-33,274** |
| Increase/decrease in operating receivables | 301 | 1,449 | -905 | 409 | -115 |
| Increase/decrease in operating liabilities | -4,342 | 1,777 | -4,174 | -1,335 | -2 703 |
| **Cash flow from change of working capital** | **-4,041** | **3,226** | **-5,079** | **-926** | **-2,818** |
| **Cash flow from operating activities** | **-12,196** | **-3,658** | **-38,624** | **-21,753** | **-36,092** |
| **Cash flow from investing activities** | | | | | |
| Acquisition of intangible assets | -205 | -7,261 | -902 | -13,368 | -14,836 |
| Acquisition of tangible assets | -50 | -88 | -233 | -114 | -170 |
| **Cash flow from investing activities** | **-255** | **-7,349** | **-1,135** | **-13,482** | **-15,006** |
| **Cash flow from financing activities** | | | | | |
| New capital issue, net of issue expenses | 72,540 | -23 | 72,341 | 55,218 | 55,218 |
| Change in long term leasing liabilities | — | -423 | -855 | -1,263 | -1,688 |
| Financing development from public funds | -1 | -2 | 886 | 3,079 | 3,079 |
| **Cash flow from financing activities** | **72,539** | **-448** | **72,372** | **57,034** | **56,609** |
| **Cash flow for the period** | **60,088** | **-11,455** | **32,613** | **21,799** | **5,511** |
| Cash equivalents at beginning of period | 23,685 | 78,903 | 51,160 | 45,649 | 45,649 |
| Cash equivalents at end of period | 83,773 | 67,448 | 83,773 | 67,448 | 51,160 |

# NOTES

## NOTE 1 SIGNIFICANT ESTIMATES AND ASSESSMENTS FOR ACCOUNTING PURPOSES

The estimates and assumptions that represent a significant risk of material adjustments in the carrying amounts of assets and liabilities are:

- **Earlier received from the Swedish Energy Agency**
  Long-term liabilities consist largely of loans from the Swedish Energy Agency in the amount of TSEK 24,386. The loan is interest-bearing at approximately 6 per cent per year. A request for remission of most of the loan was sent to the Swedish Energy Agency on three occasions but was rejected.

- **Intangible assets:**
  The largest asset recognized in SaltX's balance sheet is capitalized development expenditure. This is attributable to the basic technology and the large-scale energy storage application, EnerStore and the new application electrification. An impairment test of this asset is carried out based on an estimate and assessment of what the group's technology may lead to in the form of future revenue and cash flow. Important components when calculating these future values are volume growth, profit margin and discount rate. A significant change of important components in the calculation may mean that the balance sheet item needs to be adjusted. The cash flows that are discounted for impairment testing are taken from the company's budget and long-term forecast, assuming that sufficient financing can be secured to continue operations in the long term.

- **Development**
  The Group assesses when the product or process is technically and commercially viable and whether the Group has sufficient resources to complete development and subsequently use or sell the intangible asset. If these conditions are met, an intangible asset is recognized in the balance sheet. The costs in conjunction with the construction of a new pilot plant with new reactor technology have been capitalized..

- **Research and promotional measures**
  During the period, the Group focused both on the application for large-scale energy storage, EnerStore and the new application electrification. In addition to the pilot plant mentioned above, with the purpose to find a more efficient process for charging and discharging energy, the activities have consisted of research about

## REVENUE

| | Q 3 2022 | Q 3 2021 | YTD Sep 2022 | YTD Sep 2021 | FY 2021 |
|---|---|---|---|---|---|
| Revenue from agreements with customers | 150 | 103 | 256 | 164 | 164 |
| Other revenue | 29 | 7 | 60 | 1 180 | 1 200 |
| **Total revenue** | **179** | **110** | **316** | **1 344** | **1 364** |

The Group has revenues as specified below:

| | Q 3 2022 | Q 3 2021 | YTD Sep 2022 | YTD Sep 2021 | FY 2021 |
|---|---|---|---|---|---|
| Product sale | – | – | – | 61 | 61 |
| Consultancy services (technology) | 150 | 103 | 256 | 103 | 103 |
| **Total revenue from customers** | **150** | **103** | **256** | **164** | **164** |

the process for electrification, calcination, of lime and cement material. The latter has led to new technology and solution for the calcination process. In addition, resources have been put into initial sales promotion measures in the form of work on and preparation of pre-commercial plants in conjunction with partners. These activities and efforts are research and sales promotion-oriented activities in nature and are expensed as they arise.

Estimates and assessments are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are considered reasonable under prevailing conditions.

## NOTE 2 REVENUE

The Group has reported the following amounts in the income statement relating to revenue: (see table on page 18).

## NOTE 3 FINANCIAL INSTRUMENTS

For the Group's borrowing from Almi Företagspartner, the carrying amount of the borrowing corresponds to its fair value, since the interest rate on this borrowing is at parity with current market interest rates. Regarding the loan from the Swedish Energy Agency, the request for a remission of the loan has been submitted to the Agency on three occasions and has been rejected.

Regarding the fair value of short-term financial assets and liabilities, the fair value is estimated to correspond to the carrying amount since the discount effect is not material.

## NOTE 4 TRANSACTIONS WITH AFFILIATED PARTIES

Under perioden har inga transaktioner med närstående förekommit annat än avtalade ersättningar till styrelse och ledning.

## STOCK MARKET LISTED SHARES

| | Sep 30 2022 | Sep 30 2021 | FY 2021 |
|---|---|---|---|
| Central Development Holdings Ltd (previously Zhong Fa Zhan Holdings Ltd) | 6,588 | 7,930 | 6,555 |

The assets have been valued in level 1 in the true value chain.

## CHANGE IN FAIR VALUE OF SHARES

| TSEK | Q 3 2022 | Q 3 2021 | YTD Sep 2022 | YTD Sep 2021 | FY 2021 |
|---|---|---|---|---|---|
| Change in fair value of shares | 628 | 3,112 | 33 | 2,575 | 1,200 |

## FAIR VALUE

| | Sep 30 2022 | | Sep 30 2021 | | Dec 31 2021 | |
|---|---|---|---|---|---|---|
| | Carrying amount | Fair value | Carrying amount | Fair value | Carrying amount | Fair value |
| Swedish Energy Agency | 24,386 | 23,830 | 24,386 | 23,830 | 24,386 | 23,830 |

# PARENT COMPANY INCOME STATEMENT

| TSEK | YTD Sep 2022 | YTD Sep 2021 | FY 2021 |
|---|---|---|---|
| Net revenue | 1,800 | 1,800 | 2,400 |
| Other operating revenue | – | 34 | 34 |
| **NET REVENUE** | **1,800** | **1,834** | **2,434** |
| | | | |
| Other external expenses | -2,965 | -1,932 | -3,242 |
| Peronnel expenses | -5,717 | -5,432 | -6,680 |
| **TOTAL OPERATING EXPENSES** | **-8,682** | **-7,364** | **-9,922** |
| **OPERATING RESULT** | **-6,882** | **-5,530** | **-7,488** |
| | | | |
| Financial income | – | – | 2 |
| Financial expenses | -1,442 | 1,488 | 39 |
| **FINANCIAL ITEMS - NET** | **-1,442** | **1,488** | **41** |
| **PROFIT BEFORE TAX** | **-8,324** | **-4,042** | **-7,447** |
| | | | |
| Group contribution | – | – | -50,000 |
| Income tax | – | – | – |
| **PROFIT/LOSS FOR THE PERIOD** | **-8,324** | **-4,042** | **-57,447** |

# PARENT COMPANY BALANCE SHEET

| TSEK | Sep 30 2022 | Sep 30 2021 | Dec 31 2021 |
|---|---|---|---|
| **ASSETS** | | | |
| **Financial assets** | | | |
| Participations in subsidiaries | 197,270 | 197,270 | 197,270 |
| Other long-term securities | 6,588 | 7,930 | 6,555 |
| **Total fixed assets** | **203,858** | **205,200** | **203,825** |
| **Current assets** | | | |
| Advance payments suppliers | – | 134 | 69 |
| **Current receivables** | | | |
| Other receivables | 425 | 368 | 321 |
| Prepaid expenses and accrued income | 228 | 320 | 248 |
| Cash and bank deposits | 78,582 | 60,964 | 49,141 |
| **Total current assets** | **79,235** | **61,786** | **49,779** |
| **TOTAL ASSETS** | **283,093** | **266,986** | **253,604** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| ***Restricted equity*** | | | |
| Share capital | 9,688 | 8,235 | 8,235 |
| | **9,688** | **8,235** | **8,235** |
| **Non-restricted equity** | | | |
| Share premium reserve | 571,964 | 501,076 | 501,076 |
| Retained earnings | -307,025 | -249,578 | -249,578 |
| Profit/loss for the year | -8,324 | -4,042 | -57,447 |
| | **256,615** | **247,456** | **194,051** |
| **Total equity** | **266,303** | **255,691** | **202,286** |
| **Current liabilities** | | | |
| Accounts payable | 5 | 464 | 499 |
| Accounts payables to Group companies | 14,139 | 8,591 | 48,663 |
| Other liabilities | 125 | 120 | 140 |
| Accrued expenses and deferred income | 2,521 | 2,120 | 2,016 |
| **Total current liabilities** | **16,790** | **11,295** | **51,318** |
| **TOTAL EQUITY AND LIABILITIES** | **283,093** | **266,986** | **253,604** |

## DECLARATION BY THE BOARD OF DIRECTORS AND THE CEO

The Board of Directors and CEO confirm that this Interim Report provides a true and fair view of the parent company and the Group's operations, financial position and results for the period concerned.

Stockholm, November 4, 2022
Board of Directors

| | | | |
|---|---|---|---|
| Åke Sund | Staffan Andersson | Per Bodén | Tony Grimaldi |
| *Chairman* | *Board member* | *Board member* | *Board member* |

| | | |
|---|---|---|
| Hans Holmström | Erica Larson | Elin Lydahl |
| *Board member* | *Board member* | *Board member* |

Carl-Johan Linér
*CEO*

# AUDITOR'S REPORT



## Auditor's report

SaltX Technology Holding AB (publ), reg no 556917-6596

### Introduction

We have reviewed the condensed interim financial information (interim report) of SaltX Technology Holding AB (publ) as of 30 September 2022 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

### Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm den 4 november 2022

Öhrlings PricewaterhouseCoopers AB

Claes Sjödin
Authorized Public Accountant

# OTHER INFORMATION

## CALENDAR

| | |
|---|---|
| Year-End Report 2022 | February 18, 2023 |
| Annual Report 2022 | End of March 2023 |

The annual general meeting is planned for April 25, 2023 at 15:00 in the company's premises.

## ADDRESS

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